

BETTY T. YEE, BOARD MEMBER STATE BOARD OF EQUALIZATION

Serving the 8.5 million Californians of the First Equalization District, comprised of 21 counties along the northern and central California coast, including the entire San Francisco Bay Area.

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MONTHLY NEWSLETTER

CALIFORNIA REBOUNDED, BUT SLOWLY

Jobs, Housing, and Manufacturing

Although at a lackluster pace, California's economy is on the rebound. Job growth, a rising demand for new housing, and increased manufacturing output are just some of the positive indicators that the recovery continues.

California's diverse mix of industries gives us an advantage over other states when the economy improves. Already, we are adding new jobs at a faster rate than the rest of the country. California's growth rate of 1.9 percent is higher than the national average of 1.3 percent. Additionally, 268,600 new private sector jobs were created between November 2011 and November 2012. Since the recovery began in February 2010, California welcomed 564,100 new jobs.

Homes are selling faster and at higher prices, even in regions like the Inland Empire and the Central Valley which saw the state's highest concentration of foreclosures during the housing collapse. The median price of existing homes sold in September 2012 was \$345,000, a nearly 20-percent increase from a year earlier.

New home permitting during the first seven months of 2012 was up over 16 percent from the same months of 2011. Overall, the California construction industry grew by 4.8 percent in the last year, putting us among the top 10 construction growth states in the nation.

Of the 50 states, California is still number one in manufacturing – both in jobs and output. Manufacturers account for 11.7

percent of our total output, employing almost 9 percent of the workforce. Total output from manufacturing was \$229.9 billion in 2011, significantly more than any other state.

Employment Data

California's unemployment rate dropped 1.5 percent between November 2011 and November 2012 to 9.8 percent – the lowest rate in almost four years. The national unemployment rate decreased in November to 7.7 percent.

The number of Californians holding jobs in November was 16,589,000, an increase of 78,000 from October and up 223,000 from the employment total in November of last year.



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CHINESE LUNAR NEW YEAR – GUNG HAY FAT CHOY!



The Lunar Year of the Snake begins February 10, representing the sixth year in the 12-year cycle of the Chinese zodiac. The Chinese calendar is a lunisolar calendar, incorporating elements of the lunar calendar with those of the solar calendar. A year in the Chinese calendar begins on the second new moon after the winter solstice. This occasion is celebrated primarily in China and in places with significant Chinese populations, including Hong Kong, Taiwan, Singapore, Vietnam, Thailand, Indonesia, Malaysia, Philippines, and in Chinatowns across the Western hemisphere. This is a time to spend with family and friends, celebrating an end to one year and hopes for the New Year to come.

BLACK HISTORY MONTH

AT THE CROSSROADS OF FREEDOM AND EQUALITY



February is the national observance of Black History Month. This year's theme, "At the Crossroads of Freedom and Equality," marks the sesquicentennial of the Emancipation Proclamation and the 50th anniversary of the March on Washington. In 1863, President Abraham Lincoln issued the **Emancipation Proclamation**, ultimately securing the freedom of black slaves, but equality for African Americans was a dream denied. The struggle for social and economic equality would go on. One hundred years later, in 1963, Dr. Martin Luther King led the March on Washington for Jobs and Freedom, delivering his iconic "I Have a Dream" **speech** to hundreds of thousands of determined marchers. As we celebrate Black History Month, we remember and honor many courageous individuals who stood for equality for all.

TAX TIME TIPS

April 15 can sometimes invoke a heavy sigh or even dread as the day both federal and state tax returns are due. But the good news is that preparing your tax return is getting easier thanks to many online resources and e-filing software. Here we offer some tips to help you in preparing an accurate return and filing on time.

California State Income Taxes:

The Franchise Tax Board (FTB) is responsible for administering California's personal income tax and corporation tax. Check the **FTB website** for helpful information, forms, and resources to assist in preparing and filing your California state income taxes.

Federal Income Tax:

The Internal Revenue Service (IRS) is responsible for administering federal taxes. The **IRS website** has all the forms, tools, and information you need to prepare and file your federal return.

Gather Your Records and Receipts.

You will need at least the following information at the ready:

- W-2 form(s)
- 1099 form(s)
- paid vehicle registration(s)
- donation receipts
- medical receipts
- income tax returns from last year.

Having your records in place before you start preparing your tax return will help you avoid frustrating interruptions as you search for what you need, upsetting innocent shoe boxes.

Check if You are Eligible for Any Credits.

Also check if any credits you used to claim are now repealed. The Franchise Tax Board (FTB) website has information about several types of state **tax credits**, such as child adoption costs, nonrefundable renter's credit, disaster loss, and many more credits,

as well as a link for information about the federal **Earned Income Tax Credit** for low to moderate income earners. Make sure you understand any changes that have been made to tax credits to ensure you are getting the credits to which you are entitled.

Use Free Online Filing.

The beauty of electronic filing over preparing a paper tax return is that:

- the software does the math for you,
- e-filing helps the environment by using less paper and less energy to transport the paper,
- you get electronic acknowledgment that your return was received,
- e-filing is fast.



FTB has **two free e-file programs**:

ReadyReturn is for taxpayers who:

- used the single or head of household filing status the prior year,
- had one employer,
- claimed no more than five dependents,
- take no credits other than the renter's credit, and
- took the standard deduction.

ReadyReturn transfers data from wage reports and past tax returns to generate a completed return online. Most taxpayers complete the process in less than 15 minutes!

CalFile is the state's no-cost, easy-to-use e-file option that is available to those with more complex filing needs. If you have income from a variety of sources such as wages, interest and dividends, or if you itemize deductions, you should consider using CalFile.

Free File is the IRS e-filing option for those with income of \$57,000 or less, and lets the free tax filing programs of the participating software companies do the hard work for you. And regardless of income, you can use **online fillable forms** that also will do basic math.

Want to Hire Someone to Do Your Taxes for You?

Make sure your tax preparer is properly credentialed. After all, no matter who prepares your return, you are legally responsible for its accuracy. **Check here** for tips on how to make an informed decision when selecting a tax preparer.

Don't Wait Until the Last Minute.

April 15 falls on a Monday. Do you really want to spend a beautiful California weekend before the due date cramming to get your tax returns done? You are less likely to make mistakes if you have time to gather all your necessary records, get help if you need it, and review your returns carefully before you file. Filing your tax returns sooner rather than later can be a huge relief.

Need Help?

"Live Chat" on the FTB website connects you with a helpful person at FTB to answer your questions or assist you with the website. Find the "Live Chat" feature under the **"Contact Us"** tab at the top of the FTB web page. You can also call the FTB toll-free at 800-852-5711.

The Volunteer Income Tax Assistance (**VITA**) program specializes in assisting taxpayers who are over age 60, earn \$51,000 or less, are disabled, or non-English speaking.

The Tax Counseling for the Elderly (**TEC Program**) offers free tax help for all, with priority assistance to persons age 60 or older. The TCE program specializes in

questions about pensions and retirement issues unique to seniors. IRS-certified volunteers who provide tax counseling are often retired individuals associated with non-profit organizations such as the American Association of Retired Persons.

Find VITA and TCE locations in your area by typing in your zip code **here**.

The Devil is in the Details.

Give your return a careful review before you send it in. Make sure that you've signed and dated the return. If you are e-filing, sign using a self-selected personal identification number (PIN). If you are filing a joint return, both you and your spouse must sign and date the return. Paper filers need to attach W-2s and other forms with tax withholding information, as well as other necessary forms and schedules to the front of their returns. Tax credits usually require documentation as well that must be included. Check against your source documents that your data is correct. Pay special attention to the account and bank routing numbers. Incorrect numbers can cause a refund to be delayed or deposited into the wrong account.

What to Do if You Can't File on Time.

California taxpayers get an automatic extension until October 15 this year to file their tax returns, although taxes owed still must be paid by Monday, April 15 to avoid penalties and interest. If you are not sure if you will owe any additional tax payments, use the worksheet on **form FTB3519** to figure your tax.

BASIC SALES AND USE TAX WORKSHOPS AND eFILE CLINICS

The Board of Equalization (BOE) offers free Basic Sales and Use Tax (BSUT) Workshops and eFile Clinics across California to provide in-person support to taxpayers. A full list of **Basic Sales and Use Tax Workshops and eFile Clinics** being offered in the First Equalization District can be found on the website:

March 7:	Basic Sales and Use Tax Workshop in English (San Francisco)
March 12:	Basic Sales and Use Tax Workshop in Chinese (San Jose)
March 19:	Basic Sales and Use Tax Workshop in English (San Jose)
April 4:	Basic Sales and Use Tax Workshop in English (San Francisco)
April 9:	Basic Sales and Use Tax Workshop in English (Fairfield)
April 17:	Basic Sales and Use Tax Workshop in English (Oakland)
April 18:	Basic Sales and Use Tax Workshop in English (Salinas)
April 23:	Basic Sales and Use Tax Workshop in English (Santa Rosa)
April 24:	Basic Sales and Use Tax Workshop in Spanish (Santa Rosa)
April 26:	eFile Clinic in English (Oakland)
April 29:	eFile Clinic in English (Oakland)
April 30:	eFile Clinic in English (Oakland)

Online Tutorials.

Don't have time to make a class in person? **Online BSUT Tutorials** are now available to taxpayers, providing the information in a self-paced environment. Want more information on how to eFile with the BOE? A helpful **eFile Video Tutorial** is now available to assist taxpayers in fulfilling their tax obligation.